



TALISMAN MINING LTD

PO Box 1262
Subiaco WA 6904
Tel: +61 8 9380 4230 / Fax: +61 8 9382 8200
www.talismanmining.com.au

11 October 2007

Companies Announcements Office
Australian Stock Exchange Limited
Exchange House
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir/ Madam,

PRICE QUERY

Following the Price Query received by the Company today, we respond as follows to the questions raised in your letter:

1. The Company is not aware of any information that has not been announced to the market which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. The Company has no other explanation for the price change and increase in volume of the securities of the Company other than a continued correction to the market capitalisation of the Company on the basis of:
 - an announcement on 14th August 2007 regarding the prospectivity for iron ore on the Company's Wonmunna project in the Pilbara, Western Australia and;
 - an announcement on 8 October 2007 confirming completion of first pass drill programme on the Iron Ore prospectivity and delineation of what appears to be, based on the work completed, a newly discovered Channel Iron Deposit ("CID") with "a minimum length of approximately 3 kilometres within the project area—".Results of this program are pending as advised.
- The Company is currently completing a broker presentation in the East focused on the Iron ore prospectivity. The presentation is based on and restricted to the information as contained in our most recent announcements.
4. The Company is of the opinion that it is in compliance with the listing rules and in particular listing rule 3.1.

Yours faithfully,
Talisman Mining Limited

Steve Elliott
Managing Director



11 October 2007

Mr Darren Crawte
Company Secretary
Talisman Mining Limited
PO Box 1262
SUBIACO WA 6904

ASX Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 9224 0035
Facsimile 61 9221 2020
Internet <http://www.asx.com.au>

By Facsimile: 9382 8200

Dear Mr Crawte

Talisman Mining Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$0.415 yesterday to a high of \$0.595 today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at greg.coulson@asx.com.au or by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 1.30pm (WST) today**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

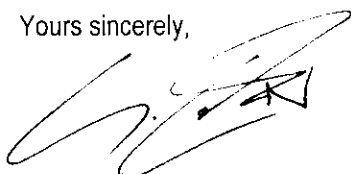
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Greg Coulson
Adviser - Issuers

Direct Line: (08) 9224 0035